

**WASHINGTON D.C.** – The Securities and Exchange Commission (SEC) Inspector General (IG) David Kotz [has agreed](#) to a [request](#) from Rep. Darrell Issa, the Ranking Member of the Oversight and Government Reform Committee, to broaden his current [investigation](#) examining the SEC's decision to move forward with action against Goldman Sachs "to include the circumstances surrounding the timing of the SEC's settlement reached with Goldman on July 16, 2010."

"A recent article about the Goldman settlement in [the Wall Street Journal](#) [reported](#) further details, which, if true, raise additional concerns about the factors affecting the timing of the Commission's settlement of its case against Goldman," Issa wrote in a

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**letter**

to Inspector General Kotz. "It appears that the Commission may have entered into a 'landmark settlement' resulting in the 'largest-ever penalty paid by a Wall Street firm' in order to avoid further criticism from the press. This is precisely the criteria for Commission action that is explicitly prohibited in regulations governing the Commission's behavior. Enforcement of the nation's investor protection rules should be exercised independent of politics and press relations."

[According to the article:](#)

“On Wednesday [July 14, 2010], upon learning The Wall Street Journal was preparing an article on catch-all settlement talks, SEC enforcement chief Robert Khuzami grew furious and blasted Goldman. He accused the firm of leaking a story that suggested Goldman had bested the SEC, a person familiar with the matter says...Worried about further leaks, the SEC decided to move fast. After the commission's Thursday vote, Mr. Khuzami and his staff made their way down to the basement of the SEC's Washington headquarters, unveiling the settlement to reporters.

“In light of the controversial circumstances surrounding the Commission's settlement with Goldman, I request that your office broaden its existing investigation into the Commission's suit against Goldman to include the circumstances surrounding the Commission's negotiations with Goldman and the subsequent settlement,” Issa concluded in his letter to Inspector General Kotz.

[In his response](#) to Issa, Kotz says, "We will seek review of documentary evidence, including e-mails between and among individuals who may have participated in or been aware of the timing of the SEC settlement, and seek to conduct interviews of all persons with potential knowledge of the facts and circumstances regarding this matter."

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